

**REQUEST FOR INFORMATION
NON-DISCRETIONARY REAL ESTATE CONSULTING SERVICES**

RESPONSES TO QUESTIONS

1. What is the expectation around travel being built into the contract rates if the number of trips and locations are unknown? Are the travel expenses inclusive of flight/car/transportation charges or to be based solely on hourly travel charge?

Please assume there will be four annual trips to Baltimore, MD. The questionnaire asks that a flat fee be included in your response. This response should include all travel costs.

2. Is subcontracting or joint-bidding allowed?

Yes

3. Is subcontracting permissible to industry experts in certain specialized fields such as energy, timber, infrastructure, etc.?

It is permissible.

4. What benchmarks is the fund currently utilizing?

The System's benchmark is the weighted average of NCREIF Property Index (NPI), Wilshire Real Estate Securities Index, and FTSE EPRA/NAREIT Global ex-U.S. Real Estate Index Series. The weighted average is based on the System's investments

5. Will the Agency consider a firm that is not a dedicated real estate consultant?

It will be considered.

6. Is there a minimum size of assets placed in real estate over the past two years that would be a threshold for consideration in this Real Estate Non-discretionary Consultant search?

No.

7. Regarding the scope of services specific to deal sourcing, does the Agency expect the investment consultant to source individual property acquisitions or to provide additional due diligence and consulting regarding deals sourced by investment managers?

Investment decisions will be made by investment managers and/or staff. The consultant's role will be based on the contract's scope. It is not likely that the real estate consultant will be involved in sourcing direct assets. The consultant's role is likely to include strategic advice and a review of the direct invest program.

8. What has prompted your search at this point in time?

The existing real estate contract expires on April 30, 2010.

9. How many other investment consulting firms received the RFP?

The System used several channels to distribute the RFI to a wide range of firms. Some of these channels included press announcements, a notice in Pensions & Investments, and postings on various State of Maryland websites.

10. Did your current real estate consultant receive an RFP?

Our current real estate consultant did receive a copy of the RFI.

11. What are the selection criteria you plan to use in selecting the final candidates?

TBD

12. Are the 6 categories of questions in the RFP (listed on page 6) the selection criteria?

The questionnaire begins on page 6 of the RFI.

13. How do you plan to weight each of the selection criteria in terms of overall importance?

TBD

14. The proposal is due on 12/22 and the goal is to have a real estate consultant in place by 5/1/10. Between the submission of the proposal and the hiring of a real estate consultant, what will the interim steps consist of?

To be determined, but it will likely include a review of the proposal, interviews and reference checks.

15. Once you select a real estate consultant, do you anticipate making significant changes in your current real estate program? If so, what are the main areas that you plan to change?

This will be determined by the consultant and Investment Staff.

16. Your real estate allocation as of 9/30/09 was 6.0% versus a strategic target of 10.0% (effective 1/1/10). Over what timeframe do you plan to increase the current allocation of 6.0% to 10.0%?

With the consultant's advice the Investment Staff will make prudent investment decisions over time to achieve the targeted allocation.

17. Is the RFP intended to be a due diligence process, or is the RFP intended to result in a change in consultants?

The RFI is intended to result in choosing a new contract for a consultant.

18. Who is the Fund's current real estate consultant? Who is the Fund's current general consultant?

The Fund's current real estate consultant is PCA Real Estate Advisors Inc., which is an affiliate of Partners Group. The Fund's general consultant is Ennis Knupp.

19. Is the current consultant being considered as part of this process?

The current consultant is allowed to respond to the RFI.

20. What are the annual fees for the existing contract that the Fund is paying to its current consultant? Are there project-related fees associated with the current arrangement that are not part of the base fee?

Maryland does not wish to disclose annual fees of the existing real estate consulting contract.

21. In your review process, what investment consulting firm characteristics will you be emphasizing?

Please see the questions listed in the RFI's questionnaire.

22. Do you have a preliminary schedule of the quarterly meetings?

Quarterly meetings with staff will be based on staff and consultant availability.

23. What issues are under current consideration by the staff and/or committee?

There are no significant strategic issues/decisions pending at this time.